

Activity Group Capital Investment Summary  
Defense Logistics Agency (DLA)  
Supply Activity Group  
February 1999  
(\$ in Millions)

Line Number	Item Description	FY 1998		FY 1999		FY 2000	
		Quantity	Total Cost	Quantity	Total Cost	Quantity	Total Cost
	EQUIPMENT (Non ADP/T) \$0.1 to \$0.499	1	0.6	4	1.3	2	0.4
REP 000	Replacement			2	0.5	2	0.4
PRD 000	Productivity	1	0.6	2	0.8		
NEW 000	New Mission						
	EQUIPMENT (Non ADP/T) \$0.5 to \$0.999			1	0.7		
REP 000	Replacement			1	0.7		
PRD 000	Productivity						
NEW 000	New Mission						
	EQUIPMENT (Non ADP/T) \$1.0 and Over	3	12.4			1	4.0
REP 000	Replacement	1	0.6				
PRD 000	Productivity	2	11.8			1	4.0
NEW 000	New Mission						
	<b><u>TOTAL EQUIPMENT (Non ADP/T)</u></b>	<b>4</b>	<b>13.0</b>	<b>5</b>	<b>2.0</b>	<b>3</b>	<b>4.4</b>
ADP 000	ADP/T EQUIPMENT \$0.1 To \$0.499	7	2.1	6	0.8	4	1.9
ADP 100	ADP/T EQUIPMENT \$0.5 To \$0.999			4	2.3	2	0.9
ADP 200	ADP/T EQUIPMENT \$1.0 and Over	11	11.8	7	8.1	10	10.5
	<b><u>TOTAL EQUIPMENT (ADP/T)</u></b>	<b>18</b>	<b>13.9</b>	<b>17</b>	<b>11.1</b>	<b>16</b>	<b>13.2</b>
SWD 000	SOFTWARE DEVELOPMENT \$0.1 To \$0.499				0.5		0.8
SWD 100	SOFTWARE DEVELOPMENT \$0.5 To \$0.999						
SWD 200	SOFTWARE DEVELOPMENT \$1.0 and Over		20.3		42.9		54.8
	<b><u>TOTAL SOFTWARE DEVELOPMENT</u></b>		<b>20.3</b>		<b>43.4</b>		<b>55.5</b>
RPM 000	<b><u>MINOR CONSTRUCTION</u></b>		<b>13.9</b>		<b>19.9</b>		<b>30.2</b>
	<b><u>TOTAL AGENCY CAPITAL INVESTMENTS</u></b>	<b>22</b>	<b>61.0</b>	<b>22</b>	<b>76.4</b>	<b>19</b>	<b>103.4</b>

**Capital Budget Execution  
Defense Logistics Agency  
Supply Activity Group  
FY 1999**

**Deferrals/Cancellations/Substitutions**

(Dollars in Millions)

**ADP & TELCOM:**

Technical Infrastructure Equipment	0.2 Project repriced
Equipment for Fuel Automated Sys (FAS) Support	1.0 Re-categorized as software development
Base Level Sustainment (BLS)	3.7 Projects reprioritized/COTS re-categorized as software development
Defense Message System (DMS)	0.6 Project rescoped
Joint Engineering Drawing Data Mgmt Into & Control Sys	-0.5 New requirement
LAN Replacement (DSCR)	-2.3 Previously a BLS requirement; not new
Go Paperless (DSCP)	-0.8 New requirement

**SOFTWARE DEVELOPMENT**

EDI Translator COTS	-0.2 Project re-categorized from ADP
MM Integrated Material Management (MMMIS)	-0.3 New requirement
Federal Logistics Information System (FLIS)	6.1 Project split; see CCMS
Defense Integrated Subsistence Mgmt System (DISMS)	1.5 Project split; see STORES
Supply Automated Material Management System (SAMMS)	4.8 Requirements moved to Supply Sys Mod
Other Supply Initiatives	1.9 Projects repriced
Digital Information Management (Workflow Manager)	-3.5 Previously identified as part of Technical Infrastructure
Technical Infrastructure	3.4 Requirement now identified as Digital Info Management
Supply Systems Modernization	-6.9 Project rescoped
DESEX	0.4 Identified in Other Supply Initiatives
Central Cataloging Management System (CCMS)	-5.1 New requirement
Web Based Software Development	-0.9 Deferred from FY 98/repriced
Fuel Automated System (FAS) COTS	-1.0 Project re-categorized from ADP
Subsistence Total Order & Receipt Electronic System (STORES)	-1.5 New requirement
Go Paperless (DSCP)	-0.6 New requirement

**TOTAL FY 1999**

**0.0**

**Activity Group Capital Investment Justification**  
(\$ in Thousands)

A. Budget Submission  
**FY 2000/2001 Biennial  
Budget Estimates**

B. Component/Activity Group/Date Defense Logistics Agency  
Supply Management Activity Group February 1999

C. Line Number & Item Description  
REP 000 Replacement Equipment \$0.1 to \$0.499

D. Activity Identification

Element of Cost				FY 1998			FY 1999			FY 2000		
	Quantity	Unit Cost	Total Cost									
Total REP 000				1	561	561	2	225	450	2	204	408

**Narrative Justification:**

Based on guidance contained in various Department of Defense (DoD) governing policies, the Defense Logistics Agency (DLA) has established replacement and life expectancy standards for all categories of investment equipment. The standards are based on life expectancy with consideration given to condition, usage hours, and/or repair costs. DLA establishes age, utilization, and repair standards based on industry information and experience in the absence of DoD acquisition and replacement criteria relative to unusual categories of equipment.

In FY 2000 projects include a street sweeper (\$108) at Defense Supply Center Richmond (DSCR) and a fire truck at Defense Supply Center Columbus (DSCC).

The Savings to Investment Ratio's (SIR) are 2.88 and 1.24. The payback period is 7.3 years and 4.9 years.

Activity Group Capital Investment Justification (\$ in Thousands)										A. Budget Submission <b>FY 2000/2001 Biennial Budget Estimates</b>		
B. Component/Activity Group/Date Defense Logistics Agency Supply Management Activity Group February 1999					C. Line Number & Item Description PRD 200 Productivity Equipment \$1.0 and Over					D. Activity Identification		
Element of Cost				FY 1998			FY 1999			FY 2000		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
PRD 200-01 Fuel Terminal Automation Upgrade, San Diego (DESC)										1	4,000	4,000
<p><b>Narrative Justification:</b></p> <p>The Fleet Industrial Supply Center (FISC) in San Diego, California is responsible for receiving, storing and delivering jet fuel, diesel fuel, and motor gasoline to the Services. The existing control system that was installed at FISC San Diego in the mid 1980's employs outdated control software and system architecture. This project will upgrade the terminal automation system to the new Automated Fuel Handling Equipment (AFHE) baseline. This consists of automatic tank gauging systems with high level alarms and a terminal management system that receives data directly from meters and tank gauges, automatically reconciles fuel accounting and inventory, and prints a final report via telephone modem to the Defense Energy Supply Center (DESC) headquarters at Ft. Belvoir. In addition, a leak detection system will be installed to prevent environmental spills and damages.</p> <p>This investment is required to ensure reliability of services offered by the FISC and to provide adequate central control/monitoring of fuel operation to improve efficiency, fuel accountability and safety in handling large quantities of hazardous fuel.</p> <p>The Savings to Investment Ratio (SIR) is 2.57 and the payback period is 2.2 years.</p>												

Activity Group Capital Investment Justification (\$ in Thousands)											A. Budget Submission <b>FY 2000/2001 Biennial Budget Estimates</b>		
B. Component/Activity Group/Date Defense Logistics Agency Supply Management Activity Group February 1999						C. Line Number & Item Description ADP 000 \$0.1 to \$0.499					D. Activity Identification		
Element of Cost				FY 1998			FY 1999			FY 2000			
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	
<u>ADP 000</u> Base Level Support				7	298.4	2,089	6	125	750	4	474.5	1,898	
<p>Narrative Justification:</p> <ul style="list-style-type: none"> <li>- FY 2000, A Local Area Network (LAN) upgrade (\$250) for Defense Supply Center Columbus (DSCC). The upgrade will increase the efficiency of the lower tier (personal computer) platforms and interfaces to existing automated systems. The estimated payback period is 2.1 years.</li> <li>- FY 2000, Wireless telephone switch (\$748) at Defense Supply Center Richmond (DSCR). DSCR does not have the electronic capability to redirect incoming calls to another source to ensure that every customer call is received. The Return on Investment (ROI) is 3.1 and the payback period is 1.32 years. This project was submitted in the FY 1999 President's Budget but subsequently deferred to FY 2000.</li> <li>- FY 2000, CD ROM Jukebox (\$416) at DSCC. CD-ROM Jukebox technology eliminates the necessity for CD's at the desktop. By having one central repository for CDs, critical data is insured to be current and accessible with minimal effort. The current jukebox was purchased in 1995 and is nearing full capacity. It should be replaced as part of the standard life cycle (5 yr.) for ADPE.</li> <li>- FY 2000, Fuel Automated System (FAS) Equipment for Defense Energy Supply Center (DESC). File servers (\$484) that meet life cycle requirements will be replaced. The planned investment is consistent with Goal 1.15 of the Defense Logistics Agency (DLA) Information Technology (IT) Plan. The ROI for the FAS program is 3.1.</li> </ul>													

**Activity Group Capital Investment Justification**  
(\$ in Thousands)

A. Budget Submission  
**FY 2000/2001 Biennial  
Budget Estimates**

B. Component/Activity Group/Date Defense Logistics Agency  
Supply Management Activity Group February 1999

C. Line Number & Item Description  
ADP 100 \$0.5 to \$0.999

D. Activity Identification

Element of Cost				FY 1998			FY 1999			FY 2000		
	Quantity	Unit Cost	Total Cost									
ADP 100 Base Level Support							4	563.3	2,253	2	444.5	889

**Narrative Justification:**

Local Area Network (LAN) upgrades/replacements are planned for Defense Supply Center Richmond (DSCR). The LANs will allow more efficient operation of lower tier (personal computer) platforms and interfaces to existing automated systems. To meet the current and future demand for connectivity, DSCR will require the ability to rapidly process application data workloads and satisfy the need for telephone/data communications between automated data processing operations, as well as the ability to provide extensive network management and diagnostic capabilities. New wiring and cabling for LAN connectivity is necessary for DSCR to effectively provide the Information Technology (IT) infrastructure. The infrastructure supports the wide use of automated information systems including Office Automation, Electronic Messaging and Internet Applications.

The Return on Investment (ROI) is 1.67 with an estimated payback period of 4.2 years.

Activity Group Capital Investment Justification (\$ in Thousands)										A. Budget Submission <b>FY 2000/2001 Biennial Budget Estimates</b>		
B. Component/Activity Group/Date Defense Logistics Agency Supply Management Activity Group February 1999					C. Line Number & Item Description ADP 200 \$1.0 and Over					D. Activity Identification		
Element of Cost				FY 1998			FY 1999			FY 2000		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
ADP 200-01 Technical Infrastructure Equipment				5	1,294	6,471	5	1,103	5,517	8	1,241	9,926
<p><b>Narrative Justification:</b></p> <p>The Defense Logistics Agency (DLA) is involved in multiple initiatives that will increase efficiencies within the Supply process. Many of these initiatives require a mid-tier platform to consolidate and process data. These investments will improve the overall supply business process while providing improved information access for the decision process. Corporate Mid-tier Management is an initiative to purchase and consolidate mid-tiers to better manage the capacity of all mid-tiers. Additional, Corporate Mid-tier Management will provide the technical infrastructure compliant with the logistics community implementation of the Defense Information Infrastructure Common Operating Environment, Joint Technical Architecture, and Global Combat Support System. High-end servers will sit both outside of the firewalls for our web initiatives and inside the firewalls for the data warehouse. These purchases will be combined to provide greater cost savings as well as standardizing our platforms to allow greater efficiencies in the maintenance and operations of our business machines.</p> <p>Several system initiatives will be supported through a single mid-tier rather than purchasing a mid-tier for each initiative. The initiatives that will reside on the mid-tier include: commercial-off-the-shelf software packages in support of Department of Defense Food Demonstration project, Electronic Catalog, Modernization of Defense Logistics Standard System, Weapons System Support Program, Electronic Folders, Standard Procurement System, Base Operating Standard System, DLA Preaward Contracting System, Materiel Management Multiple Program Decision Support and 21<sup>st</sup> Century Logistics.</p> <p>The combined Savings to Investment Ratio (SIR) is 3.20.</p>												

Activity Group Capital Investment Justification (\$ in Thousands)										A. Budget Submission <b>FY 2000/2001 Biennial Budget Estimates</b>		
B. Component/Activity Group/Date Defense Logistics Agency Supply Management Activity Group February 1999					C. Line Number & Item Description ADP 200 \$1.0 and Over					D. Activity Identification		
Element of Cost				FY 1998			FY 1999			FY 2000		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
<u>ADP 200-02</u> Defense Message System				1	428	428	1	1,811	1,811	1	332	332
<p><b>Narrative Justification:</b></p> <p>The Defense Information Systems Agency (DISA) is the overall program manager for Defense Message System (DMS). DMS is a DoD directed program under the direction of OASD/C3I. The purpose of DMS is to eliminate the obsolete AUTODIN and Defense Data Network systems, establish common DoD-wide e-mail systems using GOSIP/X.400 protocols, phase out the obsolete Telecommunications Control Centers by replacing the aging equipment and preparing the DoD infrastructure for Integrated System Data Network implementation. DMS will provide one standard messaging system throughout DoD.</p> <p>Failure to support this initiative will mean termination of much of DLA's current message communications support, as well as data pattern support. If such an event happened, DLA would have to contract with other DoD Components for basic communications center support. This will increase the amount of processing time for its standard logistics traffic by one to two days which would be considered unacceptable by DLA's customers. In terms of data pattern traffic, DLA would be forced to return to card/tape processing for many of its automated information systems, which will significantly increase DLA's processing costs with DISA, as well as its Base Level Information Resources Management support costs.</p> <p>The decrease in the DMS requirements is based on reassessment of DMS from OASD/C31 and the DLA Chief Information Officer (CIO). DLA will be implementing DMS only at the organization level. The DLA CIO also directed an assessment of security requirements to properly protect message traffic.</p> <p>The Savings to Investment Ratio (SIR) is 1.45 and the estimated payback period is 8 years.</p>												

Activity Group Capital Investment Justification (\$ in Thousands)										A. Budget Submission <b>FY 2000/2001 Biennial Budget Estimates</b>		
B. Component/Activity Group/Date Defense Logistics Agency Supply Management Activity Group February 1999					C. Line Number & Item Description ADP 200 \$1.0 and Over					D. Activity Identification		
Element of Cost				FY 1998			FY 1999			FY 2000		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
ADP 200-03 Go Paperless							1	800	800	1	200	200
<p>Narrative Justification:</p> <p>In accordance with the direction included in the BRAC 1995 legislation, the Defense Supply Center Philadelphia is to be closed in 1999, and the operation relocated to the Navy Inventory Control Point, Philadelphia. In preparation for the relocation, DSCP is making an effort to reduce the amount of paper documentation that must be physically moved. This includes the destruction of outdated materials and the digitization of contract folders, personnel files, legal briefs, etc. It is essential that DSCP implement a cost efficient and business effective method to archive, convert, and manage the current paper files into electronic medium. Additionally, once an office has had its documents electronically digitized, a workflow management process must be put in place to both manage the day-to-day use of these existing documents and to efficiently bring new documents into the system.</p> <p>The establishment of the new DSCP organization will represent a reduction of positions from the existing combined staffing levels of DSCP and the Defense Industrial Supply Center (DISC). An integrated reengineered workflow process model that supports successful use of document imaging, along with inherent business practice changes/improvements that are supportable by the technology, will allow DSCP to achieve the mandated reduced labor force without adversely affecting its mission.</p> <p>The Return on Investment (ROI) is 2.1 and the payback period is 3 years.</p>												

Activity Group Capital Investment Justification (\$ in Thousands)										A. Budget Submission <b>FY 2000/2001 Biennial Budget Estimates</b>		
B. Component/Activity Group/Date Defense Logistics Agency Supply Management Activity Group February 1999					C. Line Number & Item Description ADP 200 \$1.0 and Over					D. Activity Identification		
Element of Cost	FY 1998			FY 1999			FY 2000					
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
ADP 200-04 DSCC LAN Replacement												
<p>Narrative Justification:</p> <p>A Local Area Network (LAN) replacement is planned in FY2001 for Defense Supply Center Columbus. The LAN currently in use at DSCC was installed in 1996 and assists the Logistics Managers in managing 1.9 million different National Stock Numbers (NSNs) for construction and electronics equipment. The LAN is functional but does not service all tenant activities located at Columbus site for which DSCC is the host activity. Increased bandwidth and faster data transfer are required to support future DSCC business processes involving electronic business operations, including paperless technology.</p> <p>The Return on Investment (ROI) is 1.67 with an estimated payback period of 3.5 years.</p>												

Activity Group Capital Investment Justification (\$ in Thousands)										A. Budget Submission FY 2000/2001 Biennial Budget Estimates		
B. Component/Activity Group/Date Defense Logistics Agency Supply Management Activity Group February 1999					C. Line Number & Item Description SWD 000 \$0.1 to \$0.499					D. Activity Identification		
Element of Cost				FY 1998			FY 1999			FY 2000		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 000									450			755
<p><b>Narrative Justification:</b></p> <ul style="list-style-type: none"> <li>- FY 2000 Telecom Upgrade (\$105) for Defense Supply Center Philadelphia (DSCP). Octel Visual Messenger is a multimedia messaging application that lets users easily review and send voice and fax messages. This software takes advantage of a Personal Computer (PC) running Microsoft Windows by providing a useful alternative to the telephone. The upgrade will leverage employees' time and productivity at a reasonable cost and utilize existing hardware. The Return on Investment (ROI) is 15.1 and the payback period of .27 years.</li> <li>- FY 2000 (\$300) Material Management Management Information System (MMMIS) for Defense Supply Center Philadelphia (DSCP). MMMIS will augment and further integrate Subsistence systems. It will be used by the Subsistence Directorate, DSCP Command and supporting staff to address management issues and to provide standard metrics to gauge the effectiveness of the Subsistence business. Currently, Management Information is computed manually by pulling segments of information from disparate systems. The Savings to Investment Ratio (SIR) is 2.17 and the payback period is 2 years.</li> <li>- FY 2000 (\$350) Program Budget Reporting Systems (PBRs). PBRs is a Management Information System (MIS) that will support all Financial and Functional organizations of the Defense Logistics Agency (DLA). PBRs will serve as the DLA official corporate record of proposed and approved financial decisions from the Program Objective Memorandum (POM) through the Budget Estimate Submission to the President's Budget submission. PBRs will maintain a history of financial expectations and provide a means to track the financial impact of programmatic decisions and execution against those expectations. Implementation of the PBRs will enable DLA to streamline the data gathering process, which is now manually intensive. It will assist management in program evaluation and provide a basis for trade-off decisions between competing requirements. The projected Savings to Investment Ratio is 2.37 and the payback period is 3 years.</li> </ul>												

Activity Group Capital Investment Justification (\$ in Thousands)										A. Budget Submission <b>FY 2000/2001 Biennial Budget Estimates</b>		
B. Component/Activity Group/Date Defense Logistics Agency Supply Management Activity Group February 1999					C. Line Number & Item Description SWD 200 \$1.0 and Over					D. Activity Identification		
Element of Cost				FY 1998			FY 1999			FY 2000		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 200-01 Other Supply Initiatives						2,175			2,812			3,500
<p>Narrative Justification:</p> <p>DLA executes various Materiel Management Automated Information Systems (AIS) related initiatives which include DLA Preadward Contracting System (DPACS), Hazardous Materiel Information System (HMIS), Environmental Reporting Logistics System (ERLS), 21<sup>st</sup> Century Logistics, Readiness Based Decision Support (RBDS), Defense Supply Expert System (DESEX), and Tailored Customer Support (TCS). DPACS is the current automated procurement system that issues solicitations and generates manual purchase orders. HMIS is a central repository of information on hazardous items/materials used in the DoD. HMIS contains Material Safety Data Sheets on hazardous items and maintains information on how to transport Department of Defense hazardous items/materials. DESEX enables customers to conduct supply transactions over the phone by using a touch tone keypad and a voice response system to provide asset availability checks, requisition status checks, new requisition entry and modification to existing requisitions. ERLS assists in the annual reporting of releases and offsite transfers to the Environmental Protection Agency and local emergency planning committees of chemicals that are stored or used on DLA sites. Twenty-first Century will perform logistics functions such as requisition processing, acquisition, and payment without relying on existing contemporary systems. RBDS will support various Materiel Readiness Command scenarios given its new business initiatives, which include Prime Vendor, Vendor Managed Inventory contracts, Stock Rotation contracts, and Director Vendor Delivery. TCS will improve supply chain integration to selected segments of high readiness impact and high volume customers.</p> <p style="text-align: center;">FY00 Externally Developed: 3,100 Internally Developed: 400</p> <p>The Return on Investment (ROI) for DPACS is 5.0; HMIS 1.54; ERLS 1.66; 21<sup>st</sup> Century Logistics 6.0; RBDS 2.3; TCS 1.9; DESEX 2.55.</p>												

Activity Group Capital Investment Justification (\$ in Thousands)										A. Budget Submission <b>FY 2000/2001 Biennial Budget Estimates</b>		
B. Component/Activity Group/Date Defense Logistics Agency Supply Management Activity Group February 1999					C. Line Number & Item Description SWD 200 \$1.0 and Over					D. Activity Identification		
Element of Cost				FY 1998			FY 1999			FY 2000		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 200-02 Digital Information Management						3,945			4,840			4,200
<p>Narrative Justification:</p> <p>Digital Information Management (previously Workflow Manager) allows users to move documents at electronically and provides accountability for document location. It provides critical capability to supply center personnel to be able to communicate with their counterparts within the Defense Logistics Agency and across the Department of Defense. Functional areas to be covered include Asset, Contract, Item, Supply, Finance and Personnel. Use of Digital Information Management will reduce errors and cost of communicating by using form overlays to view, print, or fax information without modifying the original document. The Decision Support Environment (DSE) is a technical infrastructure composed of common databases, middleware and hardware elements that is integral to the smooth functioning of the folders. DSE is a combination of various Commercial Off The Shelf (COTS) solutions that integrate to provide an open client/server system. DSE will provide users with a single transparent point of data access. It will remove existing barriers and provide on-line and structured data from the Standard Automated Material Management System (SAMMS) through mid-tier applications to the individual workstations and personal computers. The estimated Return on Investment (ROI) is 3.7 with a payback period of 4.3 years</p> <p style="text-align: right;">FY00</p> <p>Externally Developed: 3,950 Internally Developed: 250</p>												

Activity Group Capital Investment Justification (\$ in Thousands)										A. Budget Submission <b>FY 2000/2001 Biennial Budget Estimates</b>		
B. Component/Activity Group/Date Defense Logistics Agency Supply Management Activity Group February 1999					C. Line Number & Item Description SWD 200 \$1.0 and Over					D. Activity Identification		
Element of Cost				FY 1998			FY 1999			FY 2000		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 200-03 Supply Systems Modernization									8,254			11,212
<p>Narrative Justification:</p> <p>Supply Systems Modernization allows for the successful integration of business processes in a closed loop logistics system using electronic commerce conventions, client/server capabilities, shared data environment, and other innovations which will allow the Defense Logistics Agency's (DLA) supply systems to be fully compliant with the Global Combat Support System (GCSS) Defense Information Infrastructure (DII) Common Operating Environment (COE). DLA is reengineering its business processes to support privatization and downsizing efforts, while providing the Military Services improved logistics support at reduced costs. In order to accomplish the DLA functional goals, the supply systems need to be modified to support specific initiatives such as direct vendor delivery, paperless work environment, interoperability with other DoD systems, asset visibility, data standardization, data integrity and improved access to management data as well as to accommodate changes in DoD policies and in other interfacing systems.</p> <p>Externally Developed:           FY00   9,804 Internally Developed:           1,408</p>												

Activity Group Capital Investment Justification (\$ in Thousands)										A. Budget Submission <b>FY 2000/2001 Biennial Budget Estimates</b>		
B. Component/Activity Group/Date Defense Logistics Agency Supply Management Activity Group February 1999					C. Line Number & Item Description SWD 200 \$1.0 and Over					D. Activity Identification		
Element of Cost				FY 1998			FY 1999			FY 2000		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 200-04 Web-Based Software Development									868			3,350
<p><b>Narrative Justification:</b></p> <p>Web-based software development will allow for production hardening, migration, and implementation of leave-in-place prototypes developed under the Logistics Research and Development (Log R&amp;D) program. The focus of the effort is to apply advanced technologies to provide higher levels of logistics support in peace and war. The first prototypes from LogR&amp;D, to be fielded in FY 1998 and FY 1999, are parts of Virtual Electronic Window (VIEW) and DLA Electronic Long Term Agreements (DELTA). VIEW will provide the Department of Defense and other Federal users access to an electronic catalog with capability to store, access, browse, and order commercial items electronically. It will also provide a search engine capable of searching for items based on price, National Stock Number, and/or description. DELTA will provide delivery order processing against traditional Indefinite Delivery Type Contracts and catalogs, as well as On-Demand Manufacturing contracts, and Prime Vendor and Virtual Prime Vendor type arrangements, with no human intervention. Legacy Data on the web will allow DLA to meet its commitment to the Joint Logistics Commanders to have all data web accessible and to achieve goal 4, objective 5 of the DLSC Long Range Business Plan to have web interfaces to all legacy systems by 2002. The estimated Return on Investment is 30.0.</p> <p>Externally Developed:           FY00   2,720 Internally Developed:           630</p>												

Activity Group Capital Investment Justification (\$ in Thousands)										A. Budget Submission <b>FY 2000/2001 Biennial Budget Estimates</b>		
B. Component/Activity Group/Date Defense Logistics Agency Supply Management Activity Group February 1999					C. Line Number & Item Description SWD 200 \$1.0 and Over					D. Activity Identification		
Element of Cost				FY 1998			FY 1999			FY 2000		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 200-05 Subsistence Total Order and Receipt Electronic System (DSCP)						327			1,500			1,500
<p>Narrative Justification:</p> <p>Subsistence Total Order and Receipt Electronic System (STORES) provides Subsistence customers from all military services with a single order entry point/electronic commerce interface. It is integrated with all services systems, sends orders direct to Prime Vendors and/or Defense Subsistence Offices, takes receipt data, and sends pre-invoice data electronically to vendor and financial systems. STORES is mission essential to both European and Pacific Theatres by enabling support in an environment where service functions (e.g., Army's Troop Issues Support Activity (TISA) in Europe, Navy's Fleet Industrial Supply Center (FISC) in Guam) are being eliminated. The Savings to Investment Ratio is 3.41 with a payback period of 1.5 years.</p> <p>Externally Developed:                      FY 00 Internally Developed:                      1,500</p> <p>.</p>												

Activity Group Capital Investment Justification (\$ in Thousands)										A. Budget Submission <b>FY 2000/2001 Biennial Budget Estimates</b>		
B. Component/Activity Group/Date Defense Logistics Agency Supply Management Activity Group February 1999					C. Line Number & Item Description SWD 200 \$1.0 and Over					D. Activity Identification		
Element of Cost				FY 1998			FY 1999			FY 2000		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 200-06 Defense Integrated Subsistence Management System (DSCP)						2,078			4,700			1,300
<p>Narrative Justification:</p> <p>The Defense Integrated Subsistence Management System (DISMS) uses a relational database serving the Defense Supply Center Philadelphia (DSCP) as well as thousands of individual customers, both military and non-DoD. This system supports the DoD Food Demonstration Program (subsistence prime vendor) which expands DISMS functionality to unique Direct Vendor Delivery just-in-time applications managed from inventory. Additional enhancements are necessary to achieve essential Business Process Improvements and assure operating effectiveness worldwide. Applicable Process Change Requests describe asset management requirements that will expand the use of Electronic commerce; allow the full implementation of re-engineered requisition processing; make available supply management and inventory accounting practices to offices around the world; ensure 24 hour systems availability; and integrate applications for better financial accountability and more accessible management information. The Return on Investment is 5.46.</p> <p>Externally Developed:           FY 00   1,300 Internally Developed:</p>												

Activity Group Capital Investment Justification (\$ in Thousands)										A. Budget Submission <b>FY 2000/2001 Biennial Budget Estimates</b>		
B. Component/Activity Group/Date Defense Logistics Agency Supply Management Activity Group February 1999					C. Line Number & Item Description SWD 200 \$1.0 and Over					D. Activity Identification		
Element of Cost				FY 1998			FY 1999			FY 2000		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 200-07 Defense Medical Logistics Standard System (DSCP)						8,999			9,600			5,500
<p>Narrative Justification:</p> <p>The Defense Medical Logistics Standard System (DMLSS) is an integrated ten-year program to modernize the entire Military Health Care System. While the program directly funds the business process improvements and Management Information System (MIS) enhancements at the DPSC Medical Directorate, the benefits and savings cascade down the entire wholesale DoD logistics network. DMLSS will enable the Military Health Care System to track buying trends, anticipate needs, select best values, earmark commercial stocks to meet the needs, maintain visibility of assets moving through the logistical pipeline and adjust the velocity of support to meet customer needs. The Return on Investment for the DMLSS program is 6.5:1 with payback in 4 years.</p> <p>Externally Developed:           FY 00   5,500 Internally Developed:</p>												

Activity Group Capital Investment Justification (\$ in Thousands)										A. Budget Submission <b>FY 2000/2001 Biennial Budget Estimates</b>		
B. Component/Activity Group/Date Defense Logistics Agency Supply Management Activity Group February 1999					C. Line Number & Item Description SWD 200 \$1.0 and Over					D. Activity Identification		
Element of Cost				FY 1998			FY 1999			FY 2000		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 200-08 Federal Logistics Information System (DSCP)						615			1,295			4,593
<p>Narrative Justification:</p> <p>The Federal Logistics Information System (FLIS) provides automated support to the Federal Catalog System and maintains the National Stock Number database. Software development changes to FLIS will provide increased customer access to the information. Changes will support Consumable Item Transfer Phase II, DLA Federal Supply Class Realignment Project, Universal Product Code cross-reference, central contractor registry program management, Defense Logistics Information Service (DLIS) Imaging Program maintenance, item related data warehouse, and on-line Federal item identification guides. The Defense Logistics Information Service (DLIS) will move FLIS into a client server environment in FY 2000. The Return on Investment is 1.5.</p> <p>Externally Developed:           FY 00   3,683 Internally Developed:            910</p>												

Activity Group Capital Investment Justification (\$ in Thousands)										A. Budget Submission <b>FY 2000/2001 Biennial Budget Estimates</b>		
B. Component/Activity Group/Date Defense Logistics Agency Supply Management Activity Group February 1999					C. Line Number & Item Description SWD 200 \$1.0 and Over					D. Activity Identification		
Element of Cost				FY 1998			FY 1999			FY 2000		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 200-09 Central Cataloging Management System (DLIS)									5,086			11,744
<p><b>Narrative Justification:</b></p> <p>In March of 1997 DoD directed that all cataloging functions be centralized under the management and direction of DLA. The new cataloging office is reviewing various cataloging systems and processes with the intent of developing a single standard system that will meet the requirements of all catalogers. The Central Cataloging Management System (CCMS) will interface with the Standard Procurement System (SPS), Federal Logistics Information System (FLIS) and all of the Service and DoD Supply systems. When developed, it will be fully compliant with the Global Combat Support System (GCSS) and the Defense Information Infrastructure/Common Operating Environment (DII/COE). CCMS offers the opportunity to build a simpler, combined cataloging system based on client/server technology, while maintaining the core information and reporting of the legacy Federal Logistics Information System (FLIS). CCMS will increase the productivity of catalogers and reduce the number of errors in cataloging batch transactions. CCMS will store all business logic. Systems that encapsulate knowledge, rather than merely store data, will reduce processing time and free operators to work on the smaller number of transactions that pose more intricate problems and require concentrated operator knowledge to solve. The savings for CCMS are \$11million over the cost of investment period, FY 1999-2006, plus yearly savings of 12M over the status quo in every subsequent year. The Return on Investment is 1.4 and the payback period is 7 years.</p> <p style="text-align: right;">FY 00</p> <p>Externally Developed: 11,744 Internally Developed:</p>												

Activity Group Capital Investment Justification (\$ in Thousands)										A. Budget Submission <b>FY 2000/2001 Biennial Budget Estimates</b>		
B. Component/Activity Group/Date Defense Logistics Agency Supply Management Activity Group February 1999					C. Line Number & Item Description SWD 200 \$1.0 and Over					D. Activity Identification		
Element of Cost				FY 1998			FY 1999			FY 2000		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
<u>SWD 200-10</u> FAS COTS (DESC)									1,000			1,000
<p>Narrative Justification:</p> <p>The Fuel Automated System (FAS) migratory program was initiated to evolve and modernize the DLA and Air Force Fuel Automated Management Systems to support the DoD fuels mission. This mission includes management and accountability for fuel stored at installations. The FAS program will field a multi-functional, fully integrated Automated Information System that supports increased fuel supply requirements. Funding will be utilized to purchase Commercial Off-the-Shelf (COTS) software products to complete the FAS system in the areas of facilities management, environmental compliance and enhanced base level automation capabilities. The return on investment is 3.1.</p> <p>Externally Developed:           FY 00   1,000 Internally Developed:</p>												

Activity Group Capital Investment Justification (\$ in Thousands)										A. Budget Submission <b>FY 2000/2001 Biennial Budget Estimates</b>		
B. Component/Activity Group/Date Defense Logistics Agency Supply Management Activity Group February 1999					C. Line Number & Item Description SWD 200 \$1.0 and Over					D. Activity Identification		
Element of Cost				FY 1998			FY 1999			FY 2000		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
SWD 200-11 Technical infrastructure												6,357
<p>Narrative Justification:</p> <p>The Defense Logistics Support Command (DLSC) is working to provide a technical infrastructure compliant with the logistics community's implementation of the Defense Information Infrastructure Common Operation Environment (DII/COE), Joint Technical Architecture, and Global Combat Support System (GCSS). This will aid DLSC in rapidly exploiting technology to provide agile, responsive, interoperable solutions. These investments will upgrade the technology base to be 100% compliant with DII/COE policies and standards. Efforts will be undertaken to standardize data as well as establish data administration rules (Shared Data Environment implementation), and to provide a three-tier architecture migration and database conversions to ensure that all legacy system data is accessible to the warfighter.</p> <p>The estimated return on investment is 3.0.</p> <p>Externally Developed:           FY 00   5,188 Internally Developed:           1,169</p>												

Activity Group Capital Investment Justification (\$ in Thousands)										A. Budget Submission <b>FY 2000/2001 Biennial Budget Estimates</b>		
B. Component/Activity Group/Date Defense Logistics Agency Supply Management Activity Group February 1999					C. Line Number & Item Description SWD 200 \$1.0 and Over					D. Activity Identification		
Element of Cost				FY 1998			FY 1999			FY 2000		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
<u>SWD 200-12</u> Go Paperless (DSCP)									600			500
<p>Narrative Justification:</p> <p>In accordance with the direction included in the BRAC 1995 legislation, the Defense Supply Center Philadelphia is to be closed in 1999, and the operation relocated to the Navy Inventory Control Point, Philadelphia. In preparation for the relocation, DSCP is making an effort to reduce the amount of paper documentation that must be physically moved. This includes the destruction of outdated materials and the digitization of contract folders, personnel files, legal briefs, etc. It is essential that DSCP implement a cost efficient and business effective method to archive, convert, and manage the current paper files into electronic medium. Additionally, once an office has had its documents electronically digitized, a workflow management process must be put in place to both manage the day-to-day use of these existing documents and to efficiently bring new documents into the system.</p> <p>Go Paperless will provide an automated process that will support internal requirements for the retrieval of information more effectively and efficiently. Commercial Off The Shelf (COTS) solutions will be used to develop a database and indexing mechanism that will allow for electronic document storage and retrieval.</p> <p>The Return on Investment (ROI) is 2.1 and the payback period is 3 years.</p> <p>Externally Developed:           FY 00   600 Internally Developed:</p>												

Activity Group Capital Investment Justification (\$ in Thousands)										A. Budget Submission <b>FY 2000/2001 Biennial Budget Estimates</b>		
B. Component/Activity Group/Date Defense Logistics Agency Supply Management Activity Group February 1999					C. Line Number & Item Description RPM 000 Minor Construction					D. Activity Identification		
Element of Cost				FY 1998			FY 1999			FY 2000		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
<u>Minor Construction</u>												
Non-Fuels						1,851			1,100			1,200
Fuels						12,018			18,800			29,000
Total Minor Construction						13,869			19,900			30,200
<p><b>Narrative Justification:</b></p> <p>The minor construction investment, for projects between \$100 and \$500 each, will construct new or modify existing facilities for mission and operational improvements. The projects consist of:</p> <ol style="list-style-type: none"> <li>(1) Upgrading fire protection and alarm systems.</li> <li>(2) Upgrading utility distribution systems (especially water and electrical).</li> <li>(3) Additional paving for road networks and organizational and personnel parking.</li> <li>(4) Renovation of administrative facilities and restrooms.</li> <li>(5) Upgrading fuel distribution, oil/water separators and tank monitoring systems (Fuels only).</li> <li>(6) Construction of fuel laboratories (Fuels only).</li> </ol> <p>Additional minor construction requirements are for incidental improvements associated with facilities repair projects; and for Fuels, projects associated with the transfer of funding responsibility for Service Defense Fuel Supply Points. These investments will result in cost effective facilities to support the mission and upgrade storage, distribution and dispensing facilities to ensure compliance with all fire, safety and environmental regulations.</p>												

**Capital Budget Execution  
Defense Logistics Agency  
Supply Management Activity Group  
FY 1998  
FY 2000/2001 Biennial Budget Estimates  
(DOLLARS IN MILLIONS)**

**PROJECTS ON THE FY 1999 PRESIDENT'S BUDGET**

FY	Approved Project	Reprogs	Approved Proj Cost	Current Proj Cost	Asset/ (Deficiency)	Explanation
1998	Equipment except ADPE & TELCOM:	0.5	13.5	13.0	0.5	
	Productivity <\$500K	0.4	0.9	0.6	0.4	Projects reprioritized
	Fuel Terminal Automation - Pearl Harbor (DFSC)	0.0	9.8	9.8	0.0	
	VXI Automated Component Test Sys (DSCC)	0.8	0.8	0.0	0.8	Funds carried over to FY99
	Distance Learning (DASC)	0.0	2.1	2.1	0.0	
	Aerial Fire Truck (DSCR)	(0.6)	0.0	0.6	(0.6)	New requirement
1998	Equipment - ADPE & TELCOM:	(1.7)	11.3	13.9	(1.7)	
	Technical Infrastructure Equipment	(3.2)	3.3	6.5	(3.2)	Two additional requirements
	Equipment for Fuel Automated Sys (FAS) Support	0.2	1.5	1.3	0.2	Project repriced
	Base Level Sustainment (BLS)	1.8	3.9	2.1	1.8	Projects reprioritized
	Defense Message System	2.2	2.6	0.4	2.2	Project rescoped
	HQ Complex Hubs (DASC)	(2.8)	0.0	2.8	(2.8)	New requirement
	Defense Logistics Information Service (DLIS) LAN	(0.9)	0.0	0.9	(0.9)	New requirement
1998	Software Development:	12.9	33.2	20.3	12.9	
	Federal Logistics Information System (FLIS)	0.3	1.0	0.6	0.3	Project rescoped
	Defense Integrated Subsistence Mgmt Sys (DISMS)	(0.1)	2.0	2.1	(0.1)	Additional SCR funded
	Supply Automated Material Management Sys (SAMMS)	1.8	3.9	2.1	1.8	Project rescoped
	Other Supply Initiatives	(0.8)	1.3	2.2	(0.8)	Two addt'l requirements
	Defense Medical Logistics Standard Sys (DMLSS)	0.0	9.0	9.0	0.0	
	Workflow Manager	(2.6)	1.4	3.9	(2.6)	Project rescoped
	Web-based Software Development	0.7	0.7	0.0	0.7	Deferred to FY99
	Supply Systems Modernization	14.0	14.0	0.0	14.0	Project rescoped;partial carry-over to FY99
	Web Initiatives	0.0	0.0	0.0	0.0	
	Subsistence Total Order & Receipt Electronic System	(0.3)	0.0	0.3	(0.3)	New requirement
	Weapon System Support Program (WSSP)	(0.1)	0.0	0.1	(0.1)	New requirement
1998	Minor Construction:	0.3	14.2	13.9	0.3	
	<b>Total FY 1998</b>	<b>12.0</b>	<b>72.2</b>	<b>61.0</b>	<b>12.0</b>	

**Capital Budget Execution  
Defense Logistics Agency  
Supply Management Activity Group  
FY 1999  
FY 2000/2001 Biennial Budget Estimates  
(DOLLARS IN MILLIONS)**

**PROJECTS ON THE FY 1999 PRESIDENT'S BUDGET**

FY	Approved Project	Reprogs	Approved Proj Cost	Current Proj Cost	Asset/ (Deficiency)	Explanation
1999	Equipment except ADPE & TELCOM:	0.0	2.0	2.0	0.0	
	Replacement <\$500K	0.0	0.5	0.5	0.0	
	Productivity <\$500K	0.0	0.8	0.8	0.0	
	Crane System, Bldg 404 (DSCR)	0.0	0.7	0.7	0.0	
1999	Equipment - ADPE & TELCOM:	1.9	13.0	11.1	1.9	
	Technical Infrastructure Equipment	0.2	5.7	5.5	0.2	Project repriced
	Equipment for Fuel Automated Sys (FAS) Support	1.0	1.0	0.0	1.0	Re-categorized as software development
	Base Level Sustainment (BLS)	3.7	4.0	0.3	3.7	Projects reprioritized/category change
	Defense Message System	0.6	2.4	1.8	0.6	Project rescoped
	Joint Engineering Drawing Data Mgmt Info & Control Sys	(0.5)	0.0	0.5	(0.5)	New requirement; BLS
	LAN Replacement (DSCR)	(2.3)	0.0	2.3	(2.3)	Previously shown as a BLS requirement; not new
	Go Paperless (DSCP)	(0.8)	0.0	0.8	(0.8)	New requirement
1999	Software Development:	(1.3)	41.3	43.3	(1.9)	
	EDI Translator COTS	(0.2)	0.0	0.2	(0.2)	Re-categorized from ADP
	MM Integrated Material Management (MMMIS)	(0.3)	0.0	0.3	(0.3)	New requirement
	Federal Logistics Information System (FLIS)	6.1	7.4	1.3	6.1	Project split; see CCMS
	Defense Integrated Subsistence Mgmt Sys (DISMS)	1.5	6.2	4.7	1.5	Project split; see STORES
	Supply Automated Material Management Sys (SAMMS)	4.8	7.0	2.2	4.8	Requirements moved to Supply Sys Mod
	Other Supply Initiatives	1.9	4.7	2.8	1.9	Projects repriced
	Defense Medical Logistics Standard Sys (DMLSS)	0.0	9.6	9.6	0.0	Projects reprioritized/rescoped
	Digital Information Management (Workflow Manager)	(3.5)	1.3	4.8	(3.5)	Previously identified as Technical Infrastructure
	Technical Infrastructure	3.4	3.4	0.0	3.4	Requirement now identified as Digital Info Mgmt
	Supply Systems Modernization	(6.9)	1.4	8.3	(6.9)	Project rescoped
	DESEX	0.4	0.4	0.0	0.4	Included in Other Supply Initiatives
	Central Cataloging Management System (CCMS)	(5.1)	0.0	5.1	(5.1)	New requirement
	Web Based Software Development	(0.9)	0.0	0.9	(0.9)	Deferred from FY 98/repriced
	Fuel Automated System (FAS) COTS	(1.0)	0.0	1.0	(1.0)	Re-categorized from ADP
	Subsistence Total Order & Receipt Electronic Sys (STORES)	(1.5)	0.0	1.5	(1.5)	New requirement
	Go Paperless (DSCP)	(0.6)	0.0	0.6	(0.6)	New requirement
1999	Minor Construction:	0.0	19.9	19.9	0.0	
<b>Total FY 1999</b>		<b>0.6</b>	<b>76.3</b>	<b>76.3</b>	<b>0.0</b>	

